

# **EXHIBIT C**

1 IN THE UNITED STATES DISTRICT COURT

2 FOR THE DISTRICT OF DELAWARE

3 ICEUTICA PTY LTD., et al., :  
4 Plaintiffs, : No. 14-1515-SLR-SRF

5 v. :

6 LUPIN LIMITED, et al., :  
7 Defendants. :

8  
9 Monday, June 15, 2015  
10 10:00 a.m.

11 Discovery Review Hearing  
12 Courtroom of Judge Sherry R. Fallon

13 844 King Street  
14 Wilmington, Delaware

15 BEFORE: THE HONORABLE Sherry R. Fallon,  
16 United States District Court Magistrate

17 APPEARANCES:

18 FISH & RICHARDSON, P.C.  
19 BY: ELIZABETH FLANAGAN, ESQ.  
20 BY: CHAD SHEAR, ESQ.

21 On behalf of Plaintiffs

22 APPEARANCES CONTINUED:

23 PHILLIPS, GOLDMAN & SPENCE, P.A.  
24 BY: DAVID BILSON, ESQ.

-and-

KNOBBE MARTENS OLSEN & BEAR LLP  
BY: CHRISTY LEA, ESQ.  
BY: WILLIAM ZIMMERMAN, ESQ.

On behalf of Defendants

ALSO PRESENT:

Martha Manning, Moji James and Stuart Moran,  
iCeutica Pty, Ltd. and Iroko representatives

Mini Bhatt, Lupin Limited representative

THE COURT: Good morning,

everyone. Please be seated. Let's start with  
the introductions for the Plaintiff iCeutica and  
Iroko.

MS. FLANAGAN: Good morning, Your  
Honor. Elizabeth Flanagan from Fish &  
Richardson on behalf of the Plaintiffs iCeutica  
and Iroko. With me today is my colleague Chad  
Shear.

MR. SHEAR: Good afternoon, Your  
Honor.

MS. FLANAGAN: And I have the  
pleasure to introduce several of our clients.  
We have Martha Manning who is general counsel  
for iCeutica. We have Moji James who is general  
counsel for Iroko Pharmaceuticals, and we have  
Stuart Maron who is assistant general counsel  
for Iroko Pharmaceuticals.

THE COURT: Thank you. And for  
the Defendants Lupin?

MR. BILSON: Good morning, Your  
Honor. David Bilson from Phillips, Goldman &  
Spence for Defendants Lupin. With me today at  
counsel table from Knobbe Martens is Christie

Lea and also Bill Zimmerman. In the courtroom  
with us is Mini Bhatt from Lupin  
Pharmaceuticals.

THE COURT: Good morning. All  
right. This was the time that I had scheduled  
for a discovery review conference. And for  
those of you and our corporate representatives  
here who have not previously attended a  
discovery review conference, it's simply an  
opportunity for me to touch base with the  
parties and with counsel to see how in general  
the fact discovery process is progressing, to  
address any discovery issues that may be  
percolating, and in this case we do have some  
discovery issues relating to the protective  
order which I will be addressing as we go along  
today, but also to make sure that the discovery  
in this ANDA case is proportional and that it's  
being exchanged in good faith and the parties  
are on target to meet the deadlines in the  
scheduling order.

The intent is that I will work  
with both sides in making sure that discovery  
progresses in an appropriate fashion so it's not

5

1 to derail the case from meeting the deadlines in  
2 the scheduling order. That's kind of the  
3 overarching intent. So with that, do the  
4 parties have any -- I'm not sure the order, if  
5 you've discussed in advance of this hearing the  
6 order of what you want to address the discovery  
7 review or do you want to address the discovery  
8 issues related to the protective order first.

9 Let me hear first from Plaintiffs  
10 on that.

11 MR. SHEAR: Your Honor, Chad  
12 Shear. We can handle those in any series that  
13 is convenient with you. On the discovery review  
14 aspect, I can simply say the Defendant has  
15 produced their core technical documents. We  
16 have produced infringement contentions. I don't  
17 think any of the parties have any concern with  
18 those two issues. So from our perspective the  
19 only issue remaining to be discussed is the  
20 protective order Your Honor mentioned.

21 THE COURT: Okay. Let me hear  
22 from the Defendants as well.

23 MS. LEA: Sure. And you will have  
24 to excuse me, Your Honor. I have a little bit

6

1 of a cold. So the Defendants do see it a little  
2 bit differently. We are concerned that we are  
3 off to the wrong foot on discovery. We have a  
4 couple of issues. We did serve 10  
5 interrogatories on Plaintiffs. None of which  
6 were substantively answered.

7 For five of the interrogatories  
8 they relied on Rule 33(d), even though the  
9 interrogatories were at a minimal to a discovery  
10 answer. For example, Interrogatory 10 asked  
11 them to explain the basis for their standing.  
12 We do have two different parties here as  
13 licensees. Again, they just relied on Rule  
14 33(d) With no documents produced, and of course,  
15 no actual reference to any documents.

16 THE COURT: All right. Well, let  
17 me just stop you there, Ms. Lea. Why don't we  
18 proceed this way: Let me hear first from the  
19 Plaintiffs. I will hear a little bit of  
20 background of the litigation. We can address  
21 the document discovery that's been exchanged,  
22 any pending interrogatories, Requests For  
23 Admissions, specific document requests that are  
24 pending and how that's proceeding here.

7

1 I will hear from Defendants on  
2 those points as well. Then we will take each  
3 issue that cropped up with regard to getting a  
4 protective order in place.

5 MS. LEA: Okay. And we do have  
6 one more issue, Your Honor, if I may.

7 THE COURT: Go ahead.

8 MS. LEA: The inventors on the  
9 patents are Australian. They are in Australia  
10 and we have asked Plaintiffs repeatedly to tell  
11 us whether they are going to bring them to the  
12 United States or whether they will voluntarily  
13 sit for deposition in Australia or whether we  
14 will have to resort to The Hague, and we have  
15 not gotten a definitive answer.

16 I was told on the phone that I  
17 would not have to resort to The Hague and they  
18 may voluntarily sit for deposition in  
19 Australia. But they have not been willing to  
20 tell me whether they have control over the  
21 inventors or they can either force them to come  
22 to the United States or whether they will  
23 voluntarily come to the United States. And this  
24 is something we have to work out quickly so that

8

1 if we need to resort to The Hague, we will need  
2 to get started.

3 THE COURT: Very well.  
4 Plaintiffs, Mr. Shear?

5 MR. SHEAR: Your Honor, on the  
6 discovery disputes we can handle that if you  
7 would like. I understood from your order that  
8 those issues wouldn't be raised this morning,  
9 but we are perfectly prepared and willing to  
10 discuss them if you'd like us to.

11 THE COURT: I will tell counsel  
12 that the only discovery disputes I'm going to  
13 hear and make rulings on today are the issues in  
14 the protective order concerning whether or not  
15 Lupin's corporate legal representative in India  
16 can have access to certain confidential  
17 designated documents and the patent prosecution  
18 bar. Those are the two issues I will address  
19 today.

20 Any further issues with regard to  
21 discovery, what I'd like to hear today is just  
22 the background of the case, what is prompting or  
23 behind these other discovery disputes that may  
24 be percolating and the parties' view on how we

9

1 should go about addressing them. I can set  
2 another discovery conference, whether in person  
3 or by teleconference at a future date. But if  
4 we're going to do that, I would like to hear  
5 from both sides before I give the parties any  
6 further indication of how that should proceed.

7 MR. SHEAR: Sure. Let me begin  
8 with a small background or brief background of  
9 the case. So Iroko and iCeutica developed and  
10 ultimately marketed a product called Zorvolex  
11 which is a pain medication used predominantly  
12 for immediate relief once pain onset has  
13 occurred. It could be post-surgical or a whole  
14 variety of situations.

15 Lupin is a generic drug company  
16 that has filed an abbreviated new drug  
17 application seeking permission for all intents  
18 and purposes to market a generic version of our  
19 product. So unlike typical patent litigation in  
20 a Hatch-Waxman case, the roles are very much  
21 reversed, wherein the Defendant is prepared  
22 months and months in advance for the  
23 litigation. Whereas frankly on the Plaintiff's  
24 side, it comes as a surprise as it did in this

10

1 case.

2 So once we received the Paragraph  
3 IV letter, we did our initial due diligence on  
4 that and filed suit here in Delaware and the  
5 case has been progressing since. The parties  
6 have each served initial discovery, responded to  
7 initial discovery and are working through the  
8 various issues associated with document  
9 production, document discovery, negotiation of  
10 search terms, the myriad of things that happen  
11 at the beginning of a lawsuit.

12 Now, on the specific issues that  
13 counsel has raised, perhaps I can go at them in  
14 reverse order.

15 THE COURT: Okay.

16 MR. SHEAR: Maybe that's easiest.  
17 The last thing I believe she mentioned was  
18 location of the depositions for the inventors.  
19 There are five inventors on the patents. One of  
20 them is located here in the U.S., and obviously  
21 the location for his deposition will be a  
22 nonevent. He's located in Philadelphia and that  
23 will be currently easy and he's a current  
24 employee of the parties.

11

1 The other four is a different  
2 story. None of them are employees. They're all  
3 third parties. Three of the four we are in  
4 contact with, but one inventor we've been unable  
5 to locate. So three of the four we are figuring  
6 out, A, whether The Hague process is necessary  
7 or, B, where the depositions will be taking  
8 place. As to The Hague, it's my understanding  
9 The Hague won't be necessary. They will agree  
10 and have agreed to voluntarily sit for a  
11 deposition.

12 THE COURT: But where have they  
13 agreed to voluntarily sit for --

14 MR. SHEAR: Well, that's part of  
15 the problem.

16 THE COURT: Without giving any  
17 type of preview on the ruling one way or the  
18 other, it's typically been observed in this  
19 District Court that if you are calling a witness  
20 to trial in Delaware, you should conveniently  
21 produce them for deposition if they are coming  
22 to trial. Again, I'm not making any ruling. I  
23 take these things on a case-by-case basis with  
24 full understanding of the circumstances, and I

12

1 think this is the type of issue that will not  
2 lend itself to a ruling today.

3 This is something I want to see  
4 some papers on, have some argument on before  
5 making a decision but I will give you the  
6 practice as you probably are familiar with as  
7 well just as a guidepost to figure this out. If  
8 we are going to keep on the scheduling order,  
9 those decisions can't be left lingering. You  
10 have a five-day bench trial in about a  
11 year-and-a-half or so, November 2016. And those  
12 decisions are going to need to be made,  
13 particularly if it involves witnesses coming to  
14 trial.

15 MR. SHEAR: Absolutely. And I  
16 can't stand here today and tell you who we will  
17 call or won't call at trial.

18 THE COURT: You said three out of  
19 four you have contact with even if they are no  
20 longer current employees of the Plaintiffs.  
21 What is the status with the fourth?

22 MR. SHEAR: We are unable to  
23 locate him.

24 THE COURT: Okay. All right.

13

1 MR. SHEAR: So for the three that  
 2 we have been in contact with, as I said, they  
 3 will voluntarily sit for a deposition. We have  
 4 no contractual ability to force these people to  
 5 the U.S. They are former employees, not current  
 6 employees, and we don't have any contracts that  
 7 I'm aware of that will enable us to force them  
 8 to come here.

9 It seems to me that there are a  
 10 variety of ways to ameliorate the situation,  
 11 whether that's scheduling all of the depositions  
 12 back to back in the same time frame if we have  
 13 to go to Australia, whether that's doing the  
 14 depositions by video. It seems to me there are  
 15 ways we can ameliorate the situation that will  
 16 address everyone's concerns.

17 THE COURT: The discussion of  
 18 those alternate means of taking discovery, how  
 19 far into the discussions have you got, if any,  
 20 with the other side with the Defendants?

21 MR. SHEAR: We haven't had a  
 22 chance to discuss this yet. We are still  
 23 talking to the inventors to try to get a sense  
 24 of whether or not they will come to the U.S. I

14

1 know for one of the inventors, specifically he  
 2 just started a new job in Australia and it will  
 3 be incredibly difficult for him to come here for  
 4 a deposition. I don't have any information on  
 5 the other two.

6 THE COURT: Unless you had more to  
 7 say regarding the depositions, do you want to  
 8 address the other issue raised with regard to  
 9 outstanding interrogatories, 10 interrogatories  
 10 and Defendants' preview that there may be a  
 11 discovery issue with regard to the sufficiency  
 12 of responses.

13 MR. SHEAR: Sure. In the first  
 14 instance, I will be surprised if there is a  
 15 dispute. Obviously, if in the end our responses  
 16 are insufficient, then it's going to be us  
 17 that's hampered at trial. Now, with that being  
 18 said, the way in which this came down, we  
 19 received a one-paragraph email generally stating  
 20 they had concerns with discovery, which is not  
 21 typical I think of how the practice operates.

22 Usually each side exchanges  
 23 lengthy letters and the parties get on the phone  
 24 and work things out. We had a lengthy meet-and-

15

1 confer based on the one-paragraph email in which  
 2 every single Request For Production was gone  
 3 through on an itemized basis, and we are in the  
 4 process right now of addressing the concerns  
 5 that were raised at that meet-and-confer and we  
 6 promised to them a response in writing, and they  
 7 will have that letter this week.

8 So I think the dispute right now  
 9 is premature. But if there's any specific  
 10 issues that need to be addressed, we are happy  
 11 to address them.

12 THE COURT: All right. Anything  
 13 further with regard to how fact discovery is  
 14 progressing in general? You are beyond  
 15 production file history, Defendant's ANDA, the  
 16 initial infringement contentions.

17 MR. SHEAR: We are. And all of  
 18 those dates have been complied with.

19 THE COURT: So no further issues  
 20 other than getting to the protective order  
 21 issue? No further issues from Plaintiff this  
 22 second?

23 MR. SHEAR: Not as far as I would  
 24 say. I guess in general we are still in the

16

1 infancy of discovery and the parties are working  
 2 on search terms for those types of things, so it  
 3 would be unusual to expect in my experience a  
 4 precise response to interrogatories where Rule  
 5 33(d) would be permissible and appropriate to be  
 6 citing documents immediately.

7 We have already made one document  
 8 production and we will make further document  
 9 productions. We are working on supplemental  
 10 interrogatories. But all of those things will  
 11 generally flow in the normal course of  
 12 discovery. The document production is set to be  
 13 over in almost four months so we are  
 14 progressing.

15 THE COURT: Okay. Very well. Let  
 16 me hear from Lupin with regard to the discovery  
 17 and issues that the Court may have to address in  
 18 the future.

19 MS. LEA: Sure. Your Honor, first  
 20 of all, I will take his last statement. We  
 21 disagree that Rule 33(d) is appropriate, and we  
 22 explained the basis for standing. I'm sure  
 23 there are agreements involved, but just to point  
 24 to documents or even the specific agreements do

17

1 not explain their theory of standing which is  
2 what we ask for.

3 On the inventors, Your Honor,  
4 you're hearing what we've heard. But we  
5 haven't -- it's just a matter of when will they  
6 tell us. Can we have a date of when we're going  
7 to know about whether the inventors are coming  
8 to the United States, something in writing, if  
9 they are or even if they are not, can they  
10 voluntarily sit in Australia, so that we are not  
11 sitting and wasting our time and not applying  
12 under The Hague.

13 THE COURT: Well, it sounds like  
14 you need to have a conversation with Plaintiffs  
15 on those points. First, you're aware of my  
16 comments and concerns down the line of who is  
17 ultimately going to be here to testify at trial,  
18 how do you get discovery from those  
19 individuals. I think these are all issues that  
20 need to be addressed.

21 Your first efforts at creating a  
22 timeline or a date certain that you would like  
23 should occur first with your opposing counsel on  
24 those points before the Court needs to address

18

1 that. I would hope that these would be issues  
2 that counsel can work out, at least as far as  
3 taking the depositions and scheduling those  
4 depositions and what's going to happen with  
5 them.

6 MS. LEA: Just so Your Honor  
7 knows, we have had multiple phone calls and  
8 multiple emails on the inventors as well as the  
9 interrogatory responses, we have had a very  
10 lengthy meet-and-confer about the interrogatory  
11 responses and the document production. Many of  
12 the document production requests, they simply  
13 answered they are not going to produce  
14 documents.

15 And in the meet-and-confer, they  
16 said, well, it will probably be covered by the  
17 search terms. We finally do have their search  
18 terms and we are reviewing them. It was a  
19 little bit shocking to receive from them answers  
20 to many of the document requests that they  
21 simply would not produce documents.

22 THE COURT: It's my understanding  
23 from what Mr. Shear just represented that you  
24 will receive a response to the deficiency

19

1 notification that you sent to them this week, so  
2 perhaps what you can do is wait to get that  
3 response. We can set a date on the calendar if  
4 counsel wants me to do that.

5 I'm willing to set a date on the  
6 calendar to address both issues, both the  
7 deposition issues and the sufficiency of  
8 responses, but I'm not likely to be able to  
9 accommodate that date in July. So if you want  
10 to set something on the calendar for August, we  
11 can do it. And that's why I asked counsel to  
12 work it out as best you can in the interim.

13 MS. LEA: I would hope we can work  
14 it out, but I do think, Your Honor, the way  
15 things are going it would be helpful to have a  
16 date set on the calendar.

17 THE COURT: I'm not sure if my law  
18 clerk is able to provide a date. She will check  
19 the calendar and I will discuss that later in  
20 our hearing today. Why don't we move forward  
21 then if there are discovery issues, in the sense  
22 of giving me the overview of the discovery, how  
23 it's progressed to date. We can work into the  
24 protective order issues. I want to hear first

20

1 from Plaintiffs since they initiated the  
2 briefing on the protective order issue.

3 Mr. Shear, let's take one issue at  
4 a time. I have no preference as to how we  
5 start.

6 MR. SHEAR: I don't either, Your  
7 Honor. Perhaps we will start in the order the  
8 parties briefed the issues.

9 THE COURT: Very well.

10 MR. SHEAR: So as I started at the  
11 outset of the hearing noting that on the one  
12 hand we have iCeutica and Iroko, branded drug  
13 companies, who are in the business of making new  
14 products, and on the other hand we have a  
15 generic drug company making generic versions of  
16 those products.

17 We have a directly competitive  
18 issue. This is not a non-practicing entity  
19 case. This is not one of those situations where  
20 the parties are collaborating in a completely  
21 different field. This is a situation where the  
22 parties are in direct competition now and will  
23 be for the foreseeable future.

24 So my client has a direct, very

21

1 immediate concern about generally producing all  
2 of its confidential highly proprietary business  
3 documents over to the other side without some  
4 measure of protection. Now, the parties  
5 universally agree that a protective order is  
6 appropriate here and the parties universally  
7 agree that inhouse counsel should have access  
8 under the protective order.

9 Obviously, where the dispute is,  
10 is whether someone who is not an attorney should  
11 have access to those same materials, and that's  
12 where we drew the line.

13 THE COURT: Well, your position  
14 would not be to oppose access by inhouse counsel  
15 even if that inhouse counsel was located  
16 overseas or in India if that person had an  
17 "inhouse designation," correct?

18 MR. SHEAR: Well, first, that is a  
19 licensed attorney and I think that presents a  
20 totally different situation and one that we  
21 think would be in a different strategic footing.

22 THE COURT: How is that different  
23 from a corporate representative who is bound and  
24 subject to the jurisdiction of this Court in the

22

1 event sanctions needed to be imposed as well as  
2 the fact that the party itself is here on  
3 subject to jurisdiction and potential sanctions  
4 from the Court if certain confidential  
5 information is misused in violation of the  
6 protective order?

7 I need to see what the nexus is,  
8 why inhouse is permissible, but someone who  
9 perhaps functions, so to speak, as inhouse  
10 counsel doesn't have that attorney license is  
11 any different?

12 MR. SHEAR: Sure. The difference  
13 is found in the essence of the licensure  
14 requirement that you just referenced. An  
15 attorney, whether that attorney is licensed here  
16 or somewhere else, is subject to an entire set  
17 of rules separate and apart from just submitting  
18 to the Court's jurisdiction of obligations of  
19 ethical conduct, obligations of duties to the  
20 Court, et cetera, et cetera.

21 An inhouse person who is not an  
22 attorney and just rather a business person isn't  
23 subject to those same standards. So in an  
24 effort to sort of ameliorate the situation and

23

1 put things on balance, we had proposed seven  
2 conditions that we thought would put this  
3 inhouse person under the same sort of duties of  
4 ethics and candor and all of those things that a  
5 licensed attorney would be.

6 And if you look at the seven  
7 things that are listed, No. 1 is they would have  
8 to agree to be bound by the Delaware Rules on  
9 professional conduct. We would like this person  
10 put into the same spot that inhouse counsel  
11 would find themselves. Now, all of this is  
12 complicated by the fact that this person is not  
13 in the U.S. That makes things much more  
14 difficult so we have added additional conditions  
15 that we have placed on in an effort to  
16 compromise and resolve this without having to go  
17 before Your Honor to do that.

18 But what we are trying to  
19 basically seek is some measure of protection for  
20 our clients' interest for our confidential  
21 information, the same measure of protection that  
22 they are going to enjoy by the fact that all of  
23 the people that we want on the protective order  
24 are licensed attorneys.

24

1 And I should note that it isn't  
2 uncommon for a business person or scientist to  
3 have access to materials under a protective  
4 order. But that's when you have a two-tier  
5 system, and there's a second tier where things,  
6 although still confidential but not of the same  
7 nature of the other materials, and in that  
8 situation those business people may have access  
9 to certain limited subset information. But that  
10 is not what Lupin seeks.

11 Lupin seeks to have this  
12 nonattorney have the same rights and access to  
13 one that inhouse counsel might have.

14 THE COURT: Do you have any reason  
15 to believe that this representative designated  
16 by Lupin is involved in any competitive  
17 decision-making?

18 MR. SHEAR: The answer is, Your  
19 Honor, that I'm not sure. The Declaration that  
20 they submitted in support of their position is  
21 sore of scant when it comes to the details. But  
22 what Ms. Naidu does say is that she communicates  
23 with other groups about those litigations, she  
24 communicates with management and other groups



25

generally and provide updates about the litigation to management. So obviously, she will be updating people that are certainly involved in competitive decisions. Whether she herself is involved in those decisions, I'm not sure because I don't fully appreciate the nature of what her business responsibilities are.

And that I think, Your Honor, dovetails back to why we want this to be an inhouse counsel position. We all recognize that there are certain inhouse counsel that may be involved with business people involved in competitive decision circumstances, but because of the licensure requirements, because of the ethical obligations they have as attorneys, they are limited and they know what they can and cannot share with the business people in their organization with whom they might share information or who may be making those competitive decisions.

THE COURT: Would you have a level of comfort if you believed that Ms. Naidu not being bound by those ethical obligations, what if -- again, what if the Court would subject her

26

to the jurisdiction of this Court, require Lupin's counsel to so inform Ms. Naidu of what the ethical obligations would be if she had an attorney license?

Would those protections -- it sounds to me that your concern is about the ethical obligations that inhouse counsel are bound by because of their license. If Ms. Naidu was advised of these obligations and bound to conduct herself as if she were licensed under these obligations, would that create any difference? Would you have any problem with her reviewing the documents?

MR. SHEAR: I guess there are two issues. The answer to the first question, Your Honor, that would start us down the road that something we can certainly agree to. That was one of the first conditions we proposed, that she would be bound by the professional rules of conduct, which I think is in essence what Your Honor just suggested, that perhaps coming through Lupin's counsel as opposed to her independent review of the Rules. Either way that she becomes aware, it's fine with us.

27

The second concern that we have is our document production and certainly a subset of very sensitive information leaving the country and being sent to India wholesale to be reviewed by Lupin's inhouse business person. So those two concerns -- because you began by asking the question at the outset would it be different if it was inhouse counsel and I responded by saying it might be, not the circumstances --

THE COURT: Well, is that a real concern? We just spent some time in the issue before me talking about going to Australia for depositions with inventors who are no longer employed by the company. Is that not going to be a concern about taking sensitive information out of the country for purposes of direct and/or cross-examination for those inventors?

Where do we draw the line as to carving out when information can leave the country or not?

MR. SHEAR: The key distinction, Your Honor, the circumstance you just referenced to, it would be our confidential information

28

taken to Australia to share with our employees. The situation we're concerned about is our confidential information given to a direct competitor overseas.

At the end, Your Honor, the concern and I think the heart of this is if a disclosure takes place, that is, a breach of the protective order, whether inadvertent or not, how it happens doesn't matter, we have almost no recourse in India to kind of sort of put the cow back in the barn, so to speak. And that's really what we're worried about at the end of the day.

We don't have any problem with Lupin's counsel or outside counsel advising their client and talking to their client about confidential information, keeping her fully apprised of what's happening in the lawsuit. And I have been down this road before with Lupin in other cases with the very same situation. We don't have any problem with all of that information.

What we are trying to avoid is our confidential information to wholesale shipped to



29

1 India and reviewed by someone in India, so  
2 that's why and how we crafted the seven things  
3 we were hoping to try and balance the situation.

4 THE COURT: All right. And guide  
5 me -- specifically as you see I have read the  
6 protective order and flagged it and --

7 MR. SHEAR: So the protective  
8 order as it stands in front of you right now,  
9 Your Honor, is where the parties ended up --  
10 it's limited strictly to inhouse counsel. The  
11 seven provisions that I keep referencing --

12 THE COURT: I thought it was  
13 Paragraph 5.

14 MR. SHEAR: It's actually Exhibit  
15 B, Your Honor. They are laid out in the  
16 correspondence between the parties. This is  
17 what we sent to Lupin asking if you agree to  
18 these conditions, we will agree to let Ms. Naidu  
19 in the protective order. Your Honor, it's my  
20 understanding this whole issue that Lupin raised  
21 with those conditions was the advanced  
22 notification provision which is Item No. 5, that  
23 the documents will leave the U.S. without prior  
24 consent.

30

1 And let me explain, the concern  
2 that Lupin raised was the fact that would  
3 require them to share their work product with  
4 us, and I completely understand it and  
5 appreciate it. I don't think that's what that  
6 paragraph is aimed at. The way that this is  
7 operated and practiced when we used this before  
8 is this is really aimed at briefs and  
9 depositions and the kinds of things that are  
10 going to the Court, and then a request comes in  
11 and says, okay, I see you attached Exhibit C and  
12 D which is marked as confidential, and we sent  
13 those. And nine times out of ten, it's not a  
14 problem depending on what they are. Usually,  
15 it's not an issue. In fact, in the last case I  
16 dealt with this, I can't think of a single  
17 instance where we said to Lupin that they  
18 weren't allowed to share the materials under  
19 that protective order under these conditions.

20 THE COURT: Thank you. Let me  
21 hear from Lupin.

22 MS. LEA: Well, Your Honor,  
23 counsel is right, the standard is the same  
24 whether it's an inhouse counsel or a nonattorney

31

1 employee, and the standard is whether they are  
2 involved in competitive decision-making. Here  
3 the Plaintiff has the burden to show that a  
4 protective order should be entered prohibiting  
5 information to share with Ms. Naidu, and they  
6 have not met that burden. They have not shown  
7 any evidence that she is involved in competitive  
8 decision-making.

9 She has submitted a Declaration  
10 explaining her tasks. None of which involve  
11 competitive decision-making. And certainly,  
12 having regular contact with other people, other  
13 employees in the company, even executives who do  
14 competitive decision-making is not enough to say  
15 that the attorney or the nonattorney is involved  
16 in competitive decision-making. If that were  
17 true, then all of the inhouse counsel would be  
18 involved in competitive decision-making. And  
19 the agreed-upon protective order actually says  
20 that, no, none of the inhouse or none of the  
21 representatives can be involved in competitive  
22 decision-making.

23 And, Your Honor, I do want to address  
24 that there are actual adequate safeguards

32

1 already in the protective order. During the  
2 action and 10 months after, none of the inhouse  
3 counsel or the representatives can participate  
4 in prosecuting patent claims relating to  
5 Zorvolex or the generic or even formulations  
6 involving Diclofenac acid. They cannot  
7 participate in submissions to the FDA or the  
8 U.S. Pharmacopeia and they cannot participate in  
9 business decision-making with respect to  
10 Zorvolex or generic Diclofenac. They're all  
11 required to institute a written acknowledgement  
12 and will submit to the personal jurisdiction of  
13 the Court.

14 And, Your Honor, we know that  
15 Judge Robinson has stated on the record that it  
16 is this Court's practice to allow at least one  
17 employee from the company to have access to  
18 confidential information, and that is in the  
19 Autozone case, and I do have a copy of that  
20 transcript if Your Honor would like it. And the  
21 simple fact of the matter is that Lupin Limited  
22 does not have an IP inhouse counsel. That job  
23 is of Ms. Naidu. I speak with her on a daily  
24 basis or communicate with her on a daily basis,

33

1 either by email or by phone.

2 She reviews every single filing  
3 that is submitted to the Court. And if she did  
4 not have access to confidential information, it  
5 would impede her ability to manage outside  
6 counsel and for her ability to advise the  
7 executives on the litigation. We have a  
8 situation where already the Plaintiffs are  
9 overdesignating. They designated their entire  
10 interrogatory response which had no substantive  
11 information and no confidential information as  
12 highly confidential, so we are in a situation  
13 that we have to go back and ask them to  
14 redesignate.

15 They designated their entire  
16 infringement claim charts as highly  
17 confidential. And I said is this because of our  
18 information. And they said, no, we are citing  
19 to our own confidential information. So we had  
20 to wait for a redacted copy of the infringement  
21 claim charts before I could even send it to  
22 Lupin's representative Ms. Naidu.

23 THE COURT: Why don't we address  
24 some of the protections that might address both

34

1 parties' concerns. I think what I'm hearing is  
2 you want to be sure your representative can have  
3 access to the confidential information. Are you  
4 willing to have her informed by inhouse counsel  
5 as to what the professional rules of conduct  
6 ethically require that she observe as if she  
7 were inhouse counsel? Is that an issue?

8 I'm trying to get to what number  
9 of these seven conditions suggested by  
10 Plaintiffs would be just opposed by the  
11 Defendants. And I think maybe it just does  
12 involve really No. 5. Unless you tell me  
13 otherwise, I can't fathom a situation in which a  
14 Defendant would object to someone being bound by  
15 a professional code of conduct, someone being  
16 bound by ethics and someone submitting to  
17 jurisdiction to this Court of enforcement of  
18 those types of conditions.

19 So how do we work around  
20 Plaintiffs' concern about documents leaving the  
21 United States?

22 MS. LEA: So we do have no  
23 objection to Conditions 1 and 2. Three and  
24 four, those are contract terms, irreparable

35

1 harm, jointly and severally liable. And if we  
2 want to turn it into a contract, we all can  
3 agree to be bound by that contract. But  
4 Plaintiffs themselves said in Paragraph 21 which  
5 says this is not a contract. And then Condition  
6 5, we see that as two issues with that, number  
7 one, it's unworkable. Ms. Naidu is in India so  
8 she's not going to be in our office to see the  
9 confidential information our office.

10 We also see it as infringing upon  
11 our work product and attorney-client  
12 communication, so to the extent every time we  
13 communicate a piece of confidential information  
14 to Ms. Naidu, we have to first disclose to  
15 Plaintiff that we intend to do so and get their  
16 permission to do so, and that goes for 5, 6 and  
17 7.

18 THE COURT: How about, and maybe I  
19 should ask this to Mr. Shear. How about a  
20 situation where -- well, I'm not sure if it will  
21 work. If you're saying the Plaintiffs are  
22 overdesignating confidential materials, I was  
23 wondering rather than Lupin advising of every  
24 piece of information that leaves the United

36

1 States, Plaintiffs indicating which documents  
2 under which circumstances should not leave the  
3 United States rather than making a blanket  
4 prohibition and just having the Court address  
5 them if the parties can't agree?

6 MS. LEA: That might be more  
7 helpful. I'm still not sure how I see the  
8 difference here between Ms. Naidu as an IP  
9 manager than an attorney. That's not how the  
10 cases deal with this issue. It all comes down  
11 to whether the nonattorney representative is  
12 involved in competitive decision-making and  
13 she's not. She's managing the litigation and  
14 reporting on it.

15 And as a practical matter, of  
16 course we do not plan to ship all of their  
17 documents to India. I don't believe that any  
18 inhouse representative is sitting around  
19 reviewing documents. What we plan to do is send  
20 the infringement claimant charts they sent us  
21 where they cite to their confidential  
22 information. We plan to send that to Ms. Naidu  
23 so that she can advise us on the infringement  
24 contentions that are at issue in the case.

37

1 And in any briefing that might  
2 have a quote or something else from their  
3 confidential information, that's what we intend  
4 to share with Ms. Naidu. And I will say, Your  
5 Honor, we did cite to one protective order where  
6 Ms. Naidu has previously been granted  
7 attorney-level access and there hasn't been any  
8 issues in that case. I'm not sure what the  
9 Plaintiffs are referring to when they say they  
10 have dealt with Lupin on protective order  
11 issues. I'm not aware of those. They didn't  
12 disclose those during any kind of meet-and-  
13 confer.

14 But I have to come back to the  
15 point that IP management is not competitive  
16 decision-making. That is in the case law that  
17 we've cited, and they simply have not met the  
18 burden to question her role in the litigation,  
19 her ability to adhere to the protective order,  
20 and they haven't made a showing about any  
21 confidential information. Their product is  
22 public. We have already released our generic  
23 product.

24 I'm not sure what they're

38

1 concerned about, about their historical  
2 development documents or their historical  
3 development information. They haven't made any  
4 type of showing or even tried to.

5 THE COURT: Thank you. Anything  
6 further in rebuttal, Mr. Shear?

7 MR. SHEAR: Just briefly, Your  
8 Honor, a couple of quick points. Counsel noted  
9 all these other cases that talk about  
10 competitive decision-making, however, with the  
11 exception of maybe one that counsel cited, they  
12 are all talking about counsel, not business  
13 people. As to the overdesignation, there have  
14 been two things that have been designated so  
15 far.

16 One we designated highly  
17 confidential because it contains Lupin's highly  
18 confidential information as well as ours. The  
19 other one is an oversight which we've  
20 corrected. They brought it to our attention  
21 Friday night and we fixed the problem Sunday  
22 morning. So I don't think there's really much  
23 of an issue there.

24 And then lastly and sort of

39

1 importantly, the exact kind of thing that  
2 counsel just was talking about with respect to  
3 the types of materials they want to share with  
4 Ms. Naidu is exactly the kind of thing that I  
5 said at the outset, the kind of thing that we  
6 would be willing to agree to on a case-by-case  
7 basis, which is what Condition No. 5 is really  
8 aimed at.

9 I don't think at the end of the  
10 day that we will have a concern with Ms. Naidu  
11 reading our infringement contentions, validity  
12 contentions, the kinds of things she really  
13 needs to review to work with counsel. And  
14 notably, we don't have a problem with counsel  
15 talking about all of these things. So --

16 THE COURT: But isn't that an  
17 intrusion on counsel's ability to conduct the  
18 litigation if they basically have to check in  
19 with you, the opposing side, every time they  
20 want to have a communication with the client  
21 representative about a confidential document?  
22 Would you want them knowing every time you're  
23 having an inhouse conference with your inhouse  
24 people?

40

1 MR. SHEAR: Of course, we agree  
2 with that. But with respect, I don't think  
3 that's what we are trying to achieve. I don't  
4 think that we're trying to achieve a situation  
5 where Ms. Lea isn't free to discuss with her  
6 client anything she wants to discuss. She of  
7 course is. It's the providing of our materials  
8 outside of the U.S. that causes us concern, and  
9 it's just really that in a nutshell.

10 THE COURT: Anything further on  
11 this point?

12 MR. SHEAR: No, Your Honor. Do  
13 you want me to move to the IPR?

14 THE COURT: I tend to rule on  
15 these issues one at a time. So having heard the  
16 arguments of counsel and having reviewed the  
17 authorities that give some guidance on this  
18 point, a primary consideration and this is from  
19 the U.S. Steel Corp. case, a primary  
20 consideration whether to permit inhouse legal  
21 representatives to have access to opposing  
22 party's confidential information is whether that  
23 representative is involved in competitive  
24 decision-making, and that involves a degree into

41

1 the factual circumstances surrounding each  
2 individual counsel's activities, association,  
3 relationship with a party which must govern any  
4 concern for inadvertent or accidental  
5 disclosure.

6 And I can understand Plaintiffs'  
7 concerns that once inadvertent or accidental  
8 disclosure gets out of the box, so to speak,  
9 it's hard to stuff it back into that box or  
10 cower the horse back into the barn, to use  
11 counsel's analogy. I do understand the concerns  
12 about not having that occurrence happen. On the  
13 other hand, in terms of something this  
14 restrictive, the Plaintiff does really bear the  
15 burden of having these restrictions set in a  
16 protective order.

17 And I think the seven conditions  
18 that I've read in Exhibit B to the submission of  
19 Plaintiffs are overly restrictive in a sense in  
20 which they would impede Defense counsel's  
21 ability to litigate the case and go forward with  
22 their litigation strategy and have conversations  
23 with a corporate representative in a fashion and  
24 in a way that they would be meaningful to

42

1 preparing the defense.

2 So with that, I am going to allow  
3 Ms. Naidu to have access pursuant to the  
4 protective order. I will include the condition  
5 that she subject herself to this Court's  
6 jurisdiction, that she agree to all of the  
7 confidential obligations that she is required to  
8 adhere to if she is going to have access to that  
9 information.

10 I will also include, if not  
11 already included by the formal representations,  
12 that she will sign onto to protect confidential  
13 information, just to make it clear, that she is  
14 bound by Conditions 1 and 2 of the Plaintiffs'  
15 proposals in Exhibit B of that submission. And  
16 that is, that she agree to be bound by Delaware  
17 lawyers rules of professional conduct and that  
18 she agrees to submit to the jurisdiction of the  
19 Court's enforcement of the protective order.

20 So having said that, if there is a  
21 concern somewhere down the line during the  
22 course of the litigation that an inadvertent  
23 disclosure is more likely than not to happen  
24 because of the discovery exchanges or if there

43

1 is a particular document or collection of  
2 documents or collection of materials in  
3 discovery that Plaintiffs have particular  
4 concerns about leaving the country, the Court is  
5 certainly open to hearing any discrete and  
6 specific instances so that I can weigh in as  
7 necessary or as appropriate before the odds are  
8 stacked that make it more likely than not that  
9 an inadvertent or unexpected disclosure of  
10 information will occur.

11 But I think that we live in a  
12 global world. We have litigation of two parties  
13 that have connections outside of the United  
14 States, and there is a need on both sides to  
15 have information go out of the United States.  
16 But nonetheless, there are very distinct and  
17 specific concerns about keeping such information  
18 confidential. And I think and expect that the  
19 parties will see that as paramount, that  
20 information designated confidential stay  
21 confidential and that the risks are minimized to  
22 avoid any inadvertent disclosures whatsoever.

23 Like I said, if there are  
24 particular concerns that come up during the

44

1 course of the exchange of information between  
2 the parties, I will try to address those before  
3 there is an issue with the cat out of the bag,  
4 so to speak, and we will have to do something to  
5 address that situation which is more difficult  
6 than not getting it out of the bag at all.

7 And with regard to the rulings  
8 that I'm making today on these discovery issues,  
9 it is my practice and I think counsel here are  
10 all familiar with it, but I will repeat it just  
11 in case, this transcript will serve as my  
12 ruling. I will not be issuing a written order.  
13 Since we are dealing with a draft protective  
14 order, once you have my rulings today, I would  
15 ask the parties to meet and confer and that one  
16 side or the other take the lead in getting a  
17 revised protective order to my chambers so that  
18 I can enter it on the docket that incorporates a  
19 protective order that incorporates the rulings  
20 that I'm making here today.

21 With that, we can proceed to the  
22 next issue which is the issue relating to the  
23 prosecution bar, and specifically, as it relates  
24 to post-grant activities.

45

MR. SHEAR: Thank you, Your Honor.

I think I'm first on that one as well.

THE COURT: Okay.

MR. SHEAR: So again, this is a fairly focused issue. The parties obviously agree to a protective order. They agree that a prosecution bar is appropriate. Where we disagree is the scope of that prosecution bar, and specifically, whether or not someone who has access to materials under the protective order should also be allowed to participate in post-grant.

THE COURT: Let me give you a little guidance here because I have thought a lot about this issue in advance of our hearing today, and I have read both Kenexa and Versata, and admittedly there's contention between the two. And these issues have to be addressed fact specific on a case-by-case basis.

So tell me what about the prosecution bar to put it in the Kenexa camp or Versata camp, where are we from Plaintiffs' perspective on the conflict of the two decisions?

46

MR. SHEAR: I think they are actually more in line than what we may think. So on balance, the focus of this issue is on the one hand we want to be in a position where we wouldn't be forced to potentially inadvertently take inconsistent positions in both places which is what Versata is addressing and to a lesser extent but also what Kenexa is addressing. The balance against Lupin's concern is that we cannot use any of their confidential information in front of the Patent Office.

Now, the post-grant procedure as it exists today, it wasn't always this way, but as it exists today you can't broaden the claims. It's incredibly difficult to amend them, so the likelihood that an inadvertent use of confidential information is very, very small. But I think that if you look at the Versata decision and you want to try to square Versata with Kenexa, Versata is aimed at balance that I just talked about between one side's desire not to take inconsistent positions and the other side's desire that their information not be used.

47

And in that case because of the balance issue, specifically the source code, was a very easy line to draw. Because on a typical litigation team, the source code is so dense and not everyone uses or even looks at the source code. It's too much, so it was easy to identify a couple of attorneys. They could operate both points.

THE COURT: How do you address on that point Lupin's argument that Lupin's formulation is analogous to source code material?

MR. SHEAR: Sure, and I think it's a fair statement, but I think the key difference is that we're trying to meet and give them the same protection Versata gave the Defendant in that case by saying that the litigation counsel will play no part whatsoever in amending or drafting of any claims. So to the extent the claims are going to change at all, litigation counsel will not play any part in that.

Instead, while we might help patent prosec -- to the extent by the way, this is all hypothetical. There hasn't been an IPR

48

filed --

THE COURT: I was going to ask that question, but --

MR. SHEAR: I should have led with that.

THE COURT: -- thank you.

MR. SHEAR: But to the extent that an IPR was ever instituted, what litigation counsel might discuss with prosecution counsel -- I'm not even sure it's fair to call them prosecution counsel based on the way recent decisions have described it as an adjudicatory proceeding as opposed to true prosecution, but to the extent that we would have those conversations, we might talk about positions to take vis-à-vis the publicly available prior art, those kinds of things.

But what we wouldn't do is be involved in any way in the changing of claim scope. The claims from our perspective will be as they are today, and that will give them the same measure of protection of Versata, because that's really what Versata was aimed at. They didn't want litigators changing the scope of the

49

claims. And we would agree not to change the scope of the claims after having access to their confidential information.

THE COURT: All right. Let me hear from Lupin.

MS. LEA: So the prosecution bar in Versata was not limited to claim amendments. It was a complete prosecution bar for any type of post-grant proceeding including re-examination and IPR. And the way I would distinguish Versata and Kenexa, Your Honor, is the difference in time. There's somewhat of a trend in this District for the more complete prosecution bar, and that started occurring after the Federal Circuit issued its decision in May 2010, In re Deutsche.

There the Federal Circuit put the burden on the parties seeking the exemption. The burden is on the Plaintiff here to show that their representation before the Patent Office is not likely to implicate competitive decision-making. I think what he stood here and said what they want to be able to do is exactly that, competitive decision-making.

50

They want to be able to structure their validity argument in a way that will not harm their infringement argument in the District Court. And this is a situation, Your Honor, where the ANDA formulation for Lupin is different than the Zorvolex formulation that Plaintiffs have. If their prosecutors were to know that formula, that could affect their arguments in the Patent Office, even in post-grant proceedings.

THE COURT: I'm sorry. I'm looking at Versata. It says parties seeking to include a protective order, a provision affecting a prosecution bar has the burden of showing good cause for its inclusion. That's from the Deutsche Bank case. I'm sorry. I'm not following your argument on burden.

MS. LEA: Right. So the party seeking a prosecution bar has the burden to show good cause, but the parties here have an agreed-upon prosecution bar so that burden has been satisfied. Now, if a party wants an exemption, they want to carve some prosecution, like re-examination or IPR, then it's their

51

burden to show that exemption. And that's what In re Deutsche said.

Also, Inventor Holdings out of this District in 2014 says the same thing. In that case, this Court did not do a carve-out. They said, no, a prosecution bar is going to include re-exam and IPR just like in Versata. And, Your Honor, I did want to make one correction. There's somewhat of a misstatement in Plaintiffs' letter that we did not catch. And I would just like to point it out.

They cited to two sample protective orders from other districts that they say include a limited prosecution bar that carves out re-exam and IPR, and that's not correct. The Northern District of California order, that's Exhibit E. That one --

THE COURT: Hang on. Let me take a look at it. Okay.

MS. LEA: Exhibit E, Paragraph 8.

THE COURT: I have it.

MS. LEA: So we have a prosecution bar set forth in Paragraph 8. It includes a complete prosecution bar. And then it says, and

52

I'm at Line 9, to avoid any doubt prosecution as used in this paragraph does not include representing a party challenging a patent before a domestic or foreign agency, including but not limited to a reissue protest, ex parte re-examination or inter partes re-examination. So it's only the party that's challenging the patent that may participate.

THE COURT: Okay.

MS. LEA: Again, Your Honor, I come back to Versata and that our formulation as they admit is like the source code. It's the big secret here that their clients do not know. And that if their prosecutors were to know, could affect their prosecution including their post-grant strategy. And that is taken, Your Honor, from the Patent Case Management Judicial Guide.

And I will say since this lawsuit has started, they have had two patents issued that they have added to the lawsuit they are continuing to actively prosecute. They have four more applications they received a Notice of Allowance on.



53

1 THE COURT: All right. Mr. Shear?

2 MR. SHEAR: Just two brief points,

3 Your Honor. First of all, yes, we have more

4 patents coming out. That's prosecution. We are

5 not talking about prosecution bars here.

6 THE COURT: Post-grant review.

7 MR. SHEAR: Correct. Now, counsel

8 referenced the In re Deutsche Bank case.

9 Specifically, I will read the quote from the

10 case. The quote is, strategically amending or

11 surrendering the claim scope during prosecution

12 to constitute competitive decision-making. And

13 that's exactly what we're saying we will not do

14 here. We won't be involved in change of claim

15 scope in any way, shape or form and that is

16 written in the protective order as it stands.

17 So I disagree with counsel's

18 characterization that this is about timing and

19 scope. At the end of the day, it does come down

20 to competitive decision-making as it affects the

21 claim scope, and that is what we are saying we

22 will not be involved in. Thank you.

23 THE COURT: All right. The

24 parties have agreed to a prosecution bar in this

54

1 case. The issue is whether to include

2 Plaintiffs' proposal which is set forth at

3 various portions of the draft protective order.

4 But to generalize, Plaintiffs' proposal includes

5 a carve-out from the prosecution bar which would

6 not preclude outside counsel from participating

7 in post-grant review types of proceedings to

8 challenge or defend the validity of any patent,

9 but outside counsel may not participate in the

10 drafting or amending patent claims in any such

11 proceedings.

12 I've spent some time reviewing

13 Judge Robinson's opinions, both in the Kenexa

14 case and in the Versata case and recognized that

15 these decisions have to be made on a

16 case-by-case basis. There's no general blanket

17 rule that can be applied other than the

18 standards and putting in place protections which

19 would, as Judge Robinson said in Kenexa,

20 protections such that no party should use

21 confidential information to obtain additional

22 rights for itself, but they should be able to

23 use it to divest each other of their respective

24 rights.

55

1 And as she noted in the Kenexa

2 case, the scope of claims cannot be enlarged by

3 amendment in a re-examination because the

4 re-examination involves only the patent and the

5 prior art, Defendant's confidential information

6 is basically irrelevant to the re-examination.

7 I realize that in Versata that she reached a

8 different conclusion and was more restrictive

9 about a patent prosecution bar which prohibited

10 any attorney, consultant, witness or other

11 person who used highly confidential source

12 code. It was source code in the Versata case at

13 issue. She precluded those individuals from

14 participating in any patent application,

15 prosecution or any post-grant review proceeding

16 for the particular technology field at issue

17 in the patents-in-suit, and further prohibited

18 them from consulting with the attorneys or

19 experts participating in any such prosecution or

20 post-grant proceeding.

21 In this instance, I'm going to

22 allow the Plaintiffs to include the carve-out

23 language that they have suggested. Having

24 reviewed both decisions and considered the

56

1 arguments in this case and the fact that

2 presently there are not any post-grant review

3 proceedings taking place, not that that would

4 alter the outcome in and of itself if there

5 were, but I'm not convinced that in this

6 instance the level of protection or concerns

7 raised by Lupin rise to the level of those

8 concerns in Versata with regard to use of source

9 code in an inappropriate way that might

10 implicate competitive decision-making.

11 So I'm going to, as I said, permit

12 the language proposed in Plaintiffs' version of

13 the protective order. There are several

14 instances where that language was inserted. I'm

15 not sure if I marked out all of them. Just for

16 purposes of the record, the ones that I've

17 flagged are at Page 7 and 8 and 10 and maybe

18 elsewhere throughout the protective order, but

19 those are the ones I've caught.

20 If there are any other locations

21 where that language needs to be revised or

22 incorporated in the protective order, then I

23 will expect, again, that the parties will get

24 together and one side or the other will send to



57

1 my chambers a revised protective order  
2 consistent with the rulings that I've made.

3 In the event that there are  
4 certain post-grant review proceedings initiated  
5 and there is a concern by the Defendants about  
6 access and use of confidential information in  
7 those proceedings, again, these rulings are  
8 without prejudice for the Defendants to bring to  
9 the attention of the Court anything preemptively  
10 that I can address before the cat is out of the  
11 bag, so to speak. I hate to use that analogy,  
12 but this is a safe way of putting it. And I  
13 will consider specific and discrete instances at  
14 that time and address them.

15 But viewing these things in  
16 general, I try to make decisions that afford the  
17 protections that the parties are seeking while  
18 not tying the hands of either side, retained  
19 counsel or inhouse counsel or the parties  
20 themselves from pursuing certain litigation  
21 strategy, developing litigation strategy and  
22 going forward using the materials that are  
23 produced in discovery in a manner consistent  
24 with their objective in the litigation.

58

1 So I try and balance all of those  
2 things in making these rulings so there is a  
3 sense of fairness and predictability, and also  
4 so the parties are aware that the Court share  
5 the concern and recognize the concerns about  
6 protecting confidential information but also  
7 protecting each party's rights to litigate as  
8 they feel is appropriate and consistent with the  
9 objectives of each party.

10 So having said that, as all of you  
11 know these are nondispositive rulings. So under  
12 Rule 72, should either side object to any of the  
13 rulings today, you can take it up with the  
14 District Judge. The District Judge in this case  
15 can consider timely objections and modify or set  
16 aside any part of the order that is clearly  
17 erroneous or contrary to law.

18 And again, this transcript will  
19 serve as the order. I will not be issuing a  
20 written order on either of these issues relative  
21 to the discovery order. We will set a time in  
22 August for hearing any additional discovery  
23 disputes along the lines of what we discussed  
24 today about depositions outside of the United

59

1 States with the inventors or inside the United  
2 States with the inventors, and with regard to  
3 the sufficiency of responses to the Defendant's  
4 interrogatories that were served on the  
5 Plaintiff as well as any other issues that might  
6 crop up in the interim.

7 I have a date that I can give the  
8 parties, August 13th. And since I am the  
9 Criminal Duty Judge on that date, we would have  
10 to start the hearing after 3:30 p.m. So I guess  
11 tentatively I will set it for 3:30 on August  
12 13th. And if, for example, my criminal calendar  
13 might run over that timeline, you might have to  
14 wait a bit. But usually, the criminal calendar  
15 is concluded by 3:00 so I'm comfortable with  
16 setting a time at 3:30.

17 I'm happy to do it in person if  
18 that's what the parties wish. If it's more  
19 convenient if the parties wish and agree to  
20 proceed by teleconference, we can do it by  
21 teleconference. I have no strong preference and  
22 I leave it to both sides on how to conduct that  
23 hearing, in person or by phone. So get back to  
24 my courtroom deputy Larisha Hicks on that,

60

1 confirm the date and confirm when you want to  
2 start.

3 And then as the date approaches,  
4 submit your letter briefs as you did in this  
5 instance, limited to four pages, addressing the  
6 discovery issues. If there are going to be more  
7 than the two issues we've talked about, that is,  
8 the depositions and the sufficiency of  
9 Plaintiffs' responses to Defendants'  
10 interrogatories, please alert my courtroom  
11 deputy Larisha Hicks to that fact as well.

12 Going into these hearings, I like  
13 to know how much time to set aside for them, and  
14 also, I like to know in advance just how many  
15 submissions I'm going to be getting from each  
16 side. If both sides are responding to the other  
17 side, if the other party needs multiple  
18 submissions and if there is a way to streamline  
19 that, giving extra pages will reduce the number  
20 of submissions.

21 But for right now, just proceed  
22 with the briefing guidelines that are posted on  
23 the website. And if the necessity of the number  
24 of motions compel the parties to want to seek to

61

1 alter that or seek a different briefing  
2 schedule, then just make sure you make my  
3 chambers aware of that in plenty of time for me  
4 to take a look at it and give you some guidance  
5 on how you draft your submissions.

6 With that, is there anything  
7 further from the Plaintiffs today?

8 MR. SHEAR: No, Your Honor.

9 THE COURT: Anything further from  
10 the Defendants?

11 MS. LEA: No, Your Honor.

12 THE COURT: Thank you. And again,  
13 I thank the party representatives for being  
14 here. My purpose in asking for your attendance  
15 in the discovery review conferences is so that  
16 you are invested from the start in the discovery  
17 that your counsel is engaging in so that you're  
18 aware of how I view the process of fact  
19 discovery and so that you know that the Court is  
20 monitoring the case and seeing that the  
21 discovery is proceeding in accordance so that  
22 all of you get to your trial date on target and  
23 so that you all of you know that you have a  
24 forum to come back to if there are any disputes

62

1 or issues that will help facilitate the progress  
2 of the litigation.

3 I realize you've traveled a  
4 distance to be here and it's not a very long  
5 hearing and you may go back and think why does  
6 the Judge want me here, but I really do  
7 appreciate you being here and becoming invested  
8 in the process from the start. Thank you. We  
9 are adjourned.

10 MS. LEA: Thank you, Your Honor.

11 MR. SHEAR: Thank you, Your Honor.

12 (The proceedings concluded at  
13 11:35 a.m.)  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

63

# CERTIFICATION

1 I, Taneha Carroll, Professional  
2 Court Reporter, certify that the foregoing is a  
3 true and accurate transcript of the foregoing  
4 proceeding.

5 I further certify that I am neither  
6 attorney nor counsel for, nor related to nor  
7 employed by any of the parties to the action in  
8 which this proceeding was taken; further, that I am  
9 not a relative or employee of any attorney or  
10 counsel employed in this case, nor am I financially  
11 interested in this action.  
12  
13  
14

15  
16 /s/Taneha Carroll  
17 Taneha Carroll

18 Professional Reporter and Notary Public  
19  
20  
21  
22  
23  
24